



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

(Transmittal No. 15-64)

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Cooperation Agency.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

FOR FURTHER INFORMATION CONTACT: Sarah A. Ragan or Heather N. Harwell, DSCA/LMO, (703) 604-1546/ (703) 607-5339.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 15-64 with attached Policy Justification and Sensitivity of Technology.

Dated: February 2, 2016.

Aaron Siegel,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

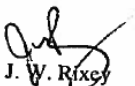
The Honorable Paul D. Ryan
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

JAN 06 2016

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 15-64, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance to the Government of Iraq for defense articles and services estimated to cost \$800 million. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,


J. W. Rixey
Vice Admiral, USN
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology
4. Regional Balance (Classified Document Provided Under Separate Cover)



Transmittal No. 15-64

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

- (i) Prospective Purchaser: Government of Iraq
- (ii) Total Estimated Value:
- | | |
|--------------------------|----------------------|
| Major Defense Equipment* | \$ 750 million |
| Other | <u>\$ 50 million</u> |
| TOTAL | \$ 800 million |
- (iii) Description and Quantity or Quantities of Articles and Services under Consideration for Purchase:
- Major Defense Equipment (MDE):
- Five thousand (5,000) AGM-114K/N/R Hellfire missiles
Ten (10) 114K M36E9 Captive Air Training Missiles
- Non-MDE included with this request are Hellfire missile conversion; blast fragmentation sleeves and installation kits; containers; transportation; spare and repair parts; support equipment; personnel training and training equipment; publications and technical documentation; U.S. Government-provided and contractor-provided technical, engineering, and logistics support services; and other related elements of logistics and program support.
- (iv) Military Department: U.S. Army (UBW)
- (v) Prior Related Cases, if any:
- IQ-B-UBF, Basic/LOA Value: \$40.6M/LOA Implementation Date: 27 FEB 14
IQ-B-UBF, A1/LOA Value: \$57.8M/LOA Implementation Date: 16 JUN 14
IQ-B-UBQ, Basic/LOA Value: \$68.3M/LOA Implementation Date: 29 SEP 14
IQ-B-UCI, Basic/LOA Value: \$49.3M/LOA Implementation Date: 24 DEC 14
IQ-B-UCX, Basic/LOA Value: \$62.6M/LOA Implementation Date: 11 JUN 15
IQ-B-UHC, Basic/LOA Value: \$45.7M/LOA Implementation Date: 10 AUG 15
IQ-B-UHK, Basic/LOA Value: \$56.5M/LOA Implementation Date: 05 OCT 15
IQ-B-UBL, A1/LOA Value: \$53.4M/LOA Implementation Date: 26 JUN 14
- (vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None
- (vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Attached Annex.
- (viii) Date Report Delivered to Congress: 06 January 2016

POLICY JUSTIFICATION

The Government of Iraq – Hellfire Missiles and Captive Air Training Missiles

The Government of Iraq has requested a possible sale of five thousand (5,000) AGM-114K/N/R Hellfire missiles; Ten (10) 114K M36E9 Captive Air Training Missiles; associated equipment; and defense services. The estimated major defense equipment (MDE) value is \$750 million. The total estimated value is \$800 million.

The proposed sale will contribute to the foreign policy and national security goals of the United States by helping to improve a critical capability of the Iraq Security Forces in defeating the Islamic State of Iraq and the Levant (ISIL).

Iraq will use the Hellfire missiles to improve the Iraq Security Forces' capability to support ongoing combat operations. Iraq will also use this capability in future contingency operations. Iraq, which already has Hellfire missiles, will face no difficulty absorbing these additional missiles into its armed forces.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The principal contractor will be Lockheed Martin Corporation in Bethesda, Maryland. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will not require any additional U.S. Government or contractor representatives in Iraq.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

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Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

Annex
Item No. vii

(vii) Sensitivity of Technology:

The Hellfire Missile is primarily an air-to-surface missile with a multi-mission, multi-target, precision-strike capability. The Hellfire can be launched from multiple air platforms and is the primary precision weapon for the United States.

The Captive Air Training Missile (CATM) is a training missile (Non-NATO) that consists of a functional guidance section coupled to an inert missile bus. The missile has an operational semi-active laser seeker that can search for and lock-on to laser-designated targets for pilot training, but it does not have a warhead or propulsion section and cannot be launched.

The highest level of classified information that could be disclosed by a proposed sale or by testing of the end item is SECRET. Information required for maintenance or training is CONFIDENTIAL. Vulnerability data, countermeasures, vulnerability/susceptibility analyses, and threat definitions are classified SECRET or CONFIDENTIAL. Release of detailed information to include discussions, reports and studies of system capabilities, vulnerabilities and limitations that lead to conclusions on specific tactics or other counter countermeasures (CCM) is not authorized for disclosure.

If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures that might reduce system effectiveness or be used in the development of a system with similar or advanced capabilities.

A determination has been made that the Government of Iraq can provide substantially the same degree of protection as the U.S. Government for the information proposed for release.

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